

NSC BRIEFING

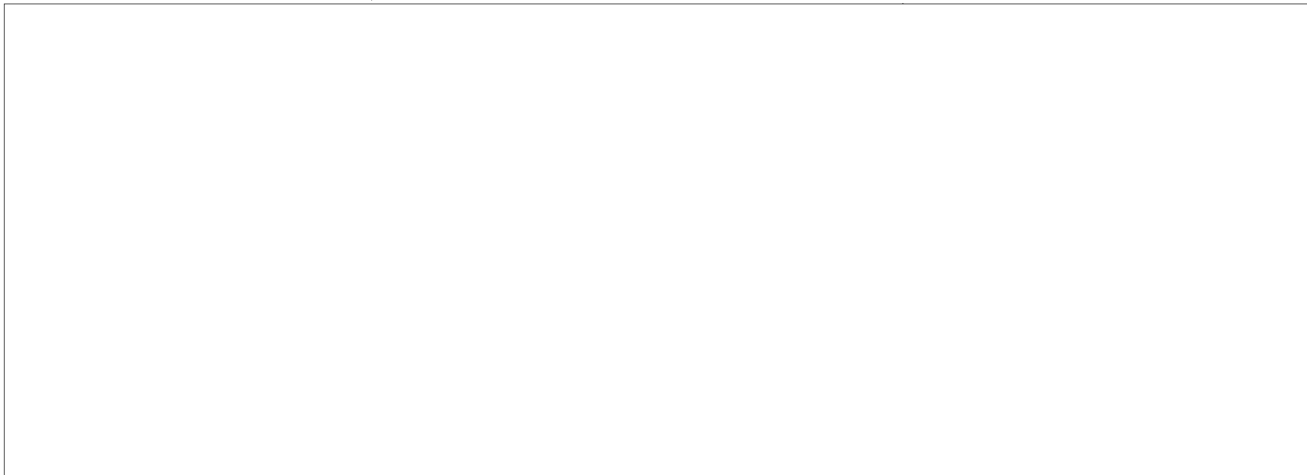
23 January 1957

THE NEAR EAST SITUATION

- I. Israelis appear determined to make no further withdrawal of their forces (either from the Gaza Strip or from their positions on the Straits of Tiran and the connecting line of supply along the west side of the Gulf of Aqaba) without a guarantee from the US or an ironclad commitment from the UN.
 - A. From all indications, the Israeli public supports this policy.
 1. Israeli press is forecasting another condemnation by the UN and urging the public to prepare for the strains of economic sanctions.
 - B. Israelis recognize the seriousness of possible consequences. Jerusalem Post, frequently a foreign ministry pipeline, says Israel is in process of cutting loose from "an undefined but far-reaching reliance on the benevolent friendship of the United States."
 1. Post says this action would be an assertion of Israel's "economic independence", for which Israelis might be "as grateful a decade hence...as we are for our political independence today."
- II. Egyptian's attitude seems to be hardening with every backward Israeli step.

25 YEAR RE-REVIEW

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C. Internally, too, the new "Egyptianization" laws, if enforced, 25X1
spell the end of Western private economic enterprise in Egypt.

III. Nasser's hand has been somewhat strengthened by the "solidarity
agreement" signed last week by Egypt, Syria, Saudi Arabia and
Jordan.

A. Ostensibly, this agreement provides for an annual L(E) 12.5
million to Jordan.(about \$36 million at normal exchange, but
currently much less), to replace the present UK subsidy to
Jordan's army.

B. In reality, the agreement is primarily a political gesture
of support for Nasser's leadership of the Arab states.

C. Neither Egypt or Syria has cash to pay Jordan.

1. The agreement specifies that Jordan may take arms in lieu
of cash, but these arms must be from the Egyptians',
Syrians' or Saudis' "own production."

2. Only small arms are produced in the Arab states, although
Egypt has some heavier non-Soviet material (acquired
from the British).

D. This leaves King Saud to pick up the tab. Another source of cash is Moscow and the Soviets might foot at least part of the bill indirectly by credits to Egypt and Syria.

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V. Except for Yemen, the rest of the Near East has been relatively quiet

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B. Iraqi prime minister Nuri Said is still faced with sporadic anti-government agitation. [redacted] Communists and extreme nationalists are joining forces against him. Nuri last week cut short his visit to the Baghdad Pact meeting in Ankara, probably because he wished to make sure all was well at home. [redacted]

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C. Yemen-Aden border continues to be the scene of what the British call "military tiddliwinks". Chances of a settlement are slim while the Yemenis remain unchastized and continue to receive Egyptian and Soviet encouragement.

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